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Report on UNICEF engagement in sector-wide approaches

Summary

Following the Executive Board's discussion of UNICEF engagement in sector-wide approaches at the first regular session of 2003, it was agreed that the issue would be discussed in the Executive Director's annual report from 2004 onwards, and that a separate report would be submitted to the Board at this session. It is recommended that the Board approve the draft decision in section V.

I. Introduction

A. Background

1. This is the third paper UNICEF has presented to the Executive Board on sector-wide approaches (SWAps). The first was presented in 2001, followed by a progress report in 2003 (E/ICEF/2001/10 and E/ICEF/2003/6). Additionally, at the request of the Executive Board in decision 2001/11 (E/ICEF/2001/6) and discussions emanating from the 2003 paper, UNICEF has regularly reported on progress achieved through the Executive Director's annual reports to the Executive Board, country programme documents, mid-term reviews and country programme evaluations.

2. The UNICEF experience with joint programmes, including SWAps, is discussed in another paper presented to the 2006 annual session of the Executive Board, "Report on the implementation experience of joint programming and joint

* The submission of this document was delayed because of the need for extensive consultations.
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programmes by UNDP, UNFPA and UNICEF since 2004" (E/ICEF/2006/13) and the Addendum detailing the UNICEF experience (E/ICEF/2006/13/Add.1). The joint programme modality of the United Nations Development Group (UNDG) shares many objectives with those of SWAps, including enhancing coordination, effectiveness and efficiency in supporting national goals and reducing transaction costs for Governments. Joint programming guidance encourages United Nations agencies to participate in SWAps, but so far there is little evidence of such involvement.

B. Brief history and definition of SWAps

3. A SWAp is defined as an approach in which all significant funding for the sector supports a single sector policy, strategy and expenditure plan under Government leadership, adopting common approaches across the sector, and progressing towards relying on Government procedures to disburse and account for all funds.[1]

4. SWAps became a social development modality in the early 1990s, and since then, the number of countries using SWAps has accelerated. By 1999, and in recognition of the need for a comprehensive look at the entire range of development sectors, a related instrument, the Poverty Reduction Strategy (PRS), had been introduced. These two instruments can be complementary, with the latter providing an overall framework for the former. Generally, national sector programmes are anchored within the overarching framework of the Poverty Reduction Strategy Paper (PRSP).

5. It is important to view the SWAp as a dynamic process rather than an end point, and one that varies considerably across different countries. A SWAp is clearly not equivalent to pooled financing or to general budget support. Nevertheless, there is no full agreement in the development community as to whether pooled funding is an *essential element* of a SWAp and whether some form of government-managed, flexible funding mechanism (whether a pooled donor fund that is kept separate from other government funds or sector budget support that is merged with other government budgets) should be included in the definition or rather regarded as an option.

6. Nevertheless, a consensus is emerging that SWAps should include a *commitment* to move toward this sort of funding arrangement as and when national systems are considered adequate. Hence, a mechanism for flexible, sustainable and predictable funding is usually included among the elements of a SWAp.

7. An essential element of a SWAp (and of a PRS) regardless of the funding mechanism is a Medium-Term Expenditure Framework (MTEF). A multi-year public expenditure planning instrument, an MTEF is used to set out future budget requirements for public services and to assess the resource implications of future policy changes and any new programmes.

[1] A. Brown, M. Foster, A. Norton and F. Naschold, "The Status of Sector Wide Approaches" (Working Paper No. 142, Overseas Development Institute, London, 2001).

C. Recent trends in the global environment

8. In September 2005, world leaders reaffirmed their commitment to meet the Millennium Development Goals by 2015 and the need to mobilize "the international community at the local, national, regional and global levels".[2] Recent trends in the donor community under the initiative of Organisation for Economic Co-operation and Development (OECD)/Development Assistance Committee (DAC) had fed into and had given context to this landmark commitment. In 2003, world and development leaders met in Rome at the High-Level Forum on Harmonization in an effort to harmonize and align development assistance around national policies and strategies. In 2004, a round-table discussion took place in Marrakesh, Morocco, addressing the need to manage for development results, and was followed in 2005 by the Paris High-Level Forum on aid effectiveness. The outcome of that meeting, referred to as the Paris Declaration on Aid Effectiveness, established that development assistance works best when fully aligned with national priorities and needs.[3]

9. UNICEF, as a UNDG member, supports and promotes harmonization and alignment initiatives and is also part of the UNDG working team on the application of the Paris Declaration at country level. SWAps are a part of these initiatives, helping to improve development effectiveness, and United Nations reform more specifically, through support to harmonization and the alignment of the United Nations country teams (UNCTs) with other key development actors. Recent reports on SWAps by other agencies confirm a continued strong interest in these instruments.

10. In February 2005, UNDG articulated its position on sector support, highlighting the important role the United Nations can play in conceptualizing and supporting the implementation of sector programmes.[4] A notable feature of that paper is the commitment to amend by end-2005 any policies and regulations, for example, basket or pooled funding, that prevent agencies from fully participating in sector support arrangements. In April 2005, the DAC Network on Poverty Reduction (POVNET) — the joint donor and programme country working group on poverty impact assessment — issued a working paper[5] discussing a range of factors driving the need for improved collaboration on poverty reduction modalities, including SWAps. Following this, in May 2005, UNDG agreed to an action plan for follow-up to the Paris Declaration, including plans to develop new guidance on SWAps and direct budget support (see footnote 3). As a result, in December 2005, the United Nations Development Programme (UNDP) issued draft programme and operational guidelines, "UNDP Role in a Changing Aid Environment: Direct Budget Support, SWAps, Basket Funds", which is expected to be finalized in 2006 and will constitute an important input to the UNDG guidance to be issued later this year on these issues.

[2] 2005 World Summit Outcome (A/60/L.1).

[3] Beyond the Paris High-Level Forum on Aid Effectiveness: Action Plan of the United Nations Development Group (May 2005).

[4] UNDG, the Role of the United Nations in a Changing Aid Environment: Sector Support and Sector Programmes (UNDG Position Paper, 8 February 2005).

[5] DAC Network on Poverty Reduction, "New Approaches to Ex Ante Impact Assessment: A discussion of Basic Principles" (DAC/POVNET[2005]6).

11. The different methods of funding and budget support have various implications. In the Paris Declaration, bilateral donors showed a renewed commitment to predictable funds given to general budget support (GBS) rather than sectors. To some extent, when a change is made from sectoral support to GBS, the motivating factor to develop sectoral (rather than PRS) strategies may be diminished. However, the move to GBS is neither universal nor irreversible. In recent months, for example, several donors have shifted financial support back from GBS to sector-specific budget support, or even projects, in two major countries.

II. UNICEF involvement in SWAps

12. In line with the commitments made in the Paris Declaration, UNICEF continues to support the building of national capacities at sectoral and cross-sectoral levels. In this regard, UNICEF involvement in SWAps has several aims: provide technical advice on child-related issues; advocate for full coverage of services for children; and strengthen the capacity of Governments to exercise effective leadership over development policies, programmes and budgets that are child-centered and oriented to the achievement of Millennium Development Goals and to manage resources and improve decision-making for results.

13. In order to further improve its role as a partner in SWAps, UNICEF in 2004 commissioned the Institute for Health Sector Development to analyse the engagement of UNICEF in SWAps.[6] In its report, the Institute established a number of recommendations for organizational policy and staff capacity development, which are being acted upon.

A. Mapping SWAps

14. UNICEF involvement in SWAps has focused primarily on the health and education sectors, and more recently on water and sanitation. Because of the cross-sectoral nature of several critical issues, such as early childhood development, nutrition and HIV/AIDS, it has sometimes been challenging for Governments to reflect such issues fully within SWAps. But over time, ways have been found explicitly to mainstream these themes within health and education SWAps. On the other hand, children protection issues, such as prevention of violence against children and women, child labour and orphaned and vulnerable children, have been mainly reflected in PRSs rather than SWAps. These issues had been incorporated into 14 of approximately 55 PRSs completed by the end of 2004.

15. Although most SWAps have been developed and implemented by African countries, SWAps have also been developed in Asia, in Central and Eastern Europe and the Commonwealth of Independent States, and to a lesser extent in Latin America and the Caribbean. Initially, most SWAps were process-intensive, often linked to sector reforms, particularly in health and education. The past few years, however, have witnessed a significant rise in attention to the allocative efficiency and impact of SWAps. This shift in focus has been prompted by the need for countries to achieve the Millennium Development Goals as the target year draws

[6] "UNICEF at cross-roads: how to be a player in sector-wide approaches and harmonization" (Institute for Health Sector Development, 2004).

near, by the accelerated efforts required of countries lagging in progress on the Goals, and by the increased emphasis on managing for development results. Processes, of course, are not ends in themselves but rather means to achieve improved and sustained outcomes in health, nutrition, education or water, sanitation and hygiene.

16. In all regions, education has led the other sectors in the number of SWAps, followed by the health sector. In sub-Saharan Africa, however, where the approach is more developed and the experience richer, SWAps have branched out to include even more sectors.

B. UNICEF involvement by region and country

17. UNICEF is committed to supporting national authorities in whichever development planning mechanisms they adopt. Given the close relationship and complementarity of the SWAps and the PRS, UNICEF involvement in both is reported here.

18. **East and Southern Africa.** Twelve countries are implementing or developing SWAps, primarily in the areas of health and education, but also in water and sanitation and agriculture (see the annex). An evaluation of the role of UNICEF in education SWAps in 12 countries was undertaken during 2005, complementing the health SWAp study of 2004. An education SWAp resource pack that was developed helped to strengthen UNICEF staff capacity in Kenya, Rwanda and Uganda. New partnerships were forged with the World Bank with the aim of securing long-term sustainable strategies. These included plans for supporting vitamin A Supplementation in national policies, with budget allocation through PRSs and SWAps. In October 2005, the UNICEF Kenya country office decided to contribute to a sector budget support pooled fund in Kenya.

19. Malawi has a fully functioning SWAp in health, one in education that is just reaching implementation, and one in water and sanitation that is being formulated through a national task force chaired by UNICEF. UNICEF is fully engaged in the Malawi health SWAp and in 2005 became the sole procurement agent for antiretroviral and began chairing the health donor group. In Mozambique, SWAps have been established in the areas of health, education, water and sanitation, HIV/AIDS and agriculture. In 2005 UNICEF became vice-chair of the Partners Forum for the HIV/AIDS SWAp and the multilateral focal "donor" for the health SWAp. Ethiopia currently has two SWAps, in the health and education sectors. In Madagascar, UNICEF played a lead role in providing technical support to the Ministry of Health to develop a Millennium Development Goals-friendly, outcome-oriented MTEF in health, using the innovative Marginal Budgeting for Bottlenecks approach.

20. Ethiopia operates two SWAps, in health and education. In education, two action plans have been fully implemented and a third is currently being implemented. UNICEF participated in the development of all three plans, through staff secondment, funding of the programmes and implementation monitoring. UNICEF also contributed to the design of the harmonization plan and signed the Code of Conduct in October 2005 together with 15 other multilateral and bilateral partners. Ethiopia is also moving towards a SWAp in water and sanitation.

21. Fourteen countries in the region have formal PRSs either completed or in draft. In addition, Angola has an interim PRS, and Botswana, Namibia, and South Africa have national poverty reduction strategies. UNICEF involvement in PRS or national strategy development was comprehensive and included commenting on drafts (16 countries), attending meetings (14 countries), advocacy for integration of children's rights (14 countries), and provision of data (11 countries). UNICEF was also involved in collaborating with or supporting some Governments in drafting or reviewing the documents (8 countries).

22. **West and Central Africa.** SWAps continued to be implemented in Burkina Faso, Ghana, Mali and Senegal, with strong UNICEF support. Health SWAps were also launched in Cameroon and Mauritania. The preparation for an education SWAp is under way in Benin, the Gambia and Ghana, with UNICEF involvement. The Gambia, Ghana, Guinea, Mali, Mauritania, and Senegal are at various stages of preparation for their revised PRSs. Other countries, including Côte d'Ivoire, the Democratic Republic of Congo, Guinea Bissau and Togo, have yet to prepare a full PRS. However, the Democratic Republic of Congo and the Congo have started the preparation of full PRSs with UNICEF involvement. UNICEF provided technical assistance to the Government of Mauritania in the revision of its PRS.

23. **East Asia and Pacific.** Cambodia is developing a second education SWAp. UNICEF is taking a lead role in coordinating support to this process, providing a donor coordination adviser and technical assistance for sector plan development, which includes facilitating inputs from more than 50 education non-governmental organizations (NGOs) in the SWAp partnership. Lao People's Democratic Republic has a PRSP and is working towards an education SWAp. Solomon Islands has an education SWAp, with some UNICEF involvement. In Papua New Guinea, UNICEF has contributed to the strengthening of the Health Sector Investment Programme by providing technical guidelines for monitoring service delivery and the development of advocacy and training materials, particularly in safe motherhood and child health programmes. UNICEF and the Asian Development Bank co-hosted an education SWAp meeting in Hanoi in November 2004, inviting key donors supporting five countries (Cambodia, Indonesia, Lao People's Democratic Republic, Timor-Leste and Viet Nam). Among the outcomes are plans for follow-up workshops of donors and Government partners in three countries and a publication of the proceedings. UNICEF is contributing PRSs in most countries, but not always in the context of an existing PRS specified by the World Bank/Asian Development Bank.

24. **South Asia.** SWAps are not used in the Islamic Republic of Afghanistan, but the country has an interim national development strategy, equivalent to an interim PRS, which was developed in 2005 with UNICEF participation. Bangladesh has a vibrant collaboration in SWAps between the Government and its partners. UNICEF is a member of the consortium on health, nutrition, and the Population Sector Programme led by the World Bank. In Bangladesh, the content of the health SWAp has now been expanded so that infant and young child feeding is mainstreamed into the national health, population and nutrition programme. Also in Bangladesh, a new SWAp in primary education for 2006-2009 was developed in 2005 with UNICEF as chair for the donor group.

25. UNICEF is involved in the health sector SWAp in India, especially in the subsectors of sanitation, Integrated Management of Childhood Illness, and safe

motherhood. UNICEF also collaborates with the World Bank in the areas of nutrition, education and water and sanitation.

26. An underlying intention of the health sector strategy approved in Nepal in 2003 was to move the health sector towards strategic planning and a SWAp. The sector is slowly moving towards joint planning, monitoring and review. UNICEF participates in the monthly meetings of the External Development Partners, supporting the SWAp process. In Sri Lanka, UNICEF is collaborating with the World Bank to promote joint planning and programming by key donors in the education sector.

27. **Middle East and North Africa.** There are currently no formal SWAps. However, the recently established cluster/sector working group approach to humanitarian coordination is working well in Iraq, the Occupied Palestinian Territories and Sudan. UNICEF is the coordinator for the education, nutrition and water and sanitation sectors and for the child protection subsector in Iraq. The role varies depending on the country context and partners involved.

28. **The Americas and Caribbean.** Few countries have SWAps. Bolivia has an education SWAp, for which UNICEF has provided technical assistance and aligned its cooperation with the sector strategy. In Honduras, the Education for All initiative is in the process of becoming a SWAp.

29. **Central and Eastern Europe and the Commonwealth of Independent States.** SWAps have not been applied widely in the region. So far, only Kyrgyzstan has a SWAp, in the health sector, for which UNICEF is one of the signatories. However, SWAps are also planned in education (Tajikistan and Turkey) and are being considered in Kosovo (Serbia and Montenegro). Eleven countries have a PRS. UNICEF involvement in the development, review or implementation of the strategies has varied, but has generally taken advantage of the opportunity to advocate for a specific focus on child poverty, the inclusion of *A World Fit for Children* or Millennium Development Goals indicators, and use of data from *DevInfo* or multiple indicator cluster surveys. To strengthen a child focus in the PRS, UNICEF undertook an analysis of Millennium Development Goals medium-term strategic plan indicators in the PRSs of three countries (Albania, Azerbaijan and Kyrgyzstan). This included mapping of PRS policies for child and youth poverty. Five of the six country studies on child poverty undertaken in 2005 have been completed. The child poverty report on the Russian Federation, launched in 2005, has contributed to wider policy dialogue at the national level.

30. Across regions, a specific way that UNICEF is mainstreaming HIV/AIDS into sector processes is through engagement with the Bold Initiative to Abolish School Fees, which seeks to support and promote fee abolition in countries ready to undertake this policy shift. This move, integrated into sector processes, will benefit vulnerable children. However, evidence in countries that have abolished fees indicates that orphaned children, including those orphaned by AIDS, do not benefit proportionately. Therefore, UNICEF is seeking to ensure that children made vulnerable due to HIV/AIDS are taken into account in school fee abolition plans. UNICEF is also promoting the integration of the prevention of mother-to-child transmission and paediatric care support and treatment into SWAps.

C. Involvement of other United Nations agencies

31. The involvement of United Nations agencies in SWAps is generally consistent with the agencies' mandates. There is usually a core group of supporting agencies, with others joining as needed. UNICEF, the World Health Organization (WHO) and the United Nations Population Fund (UNFPA) are normally involved in support to health SWAps and are sometimes joined by UNDP or the World Food Programme (WFP). In education SWAps, the partners usually include UNICEF and the United Nations Educational, Scientific and Cultural Organization, with complementary involvement by other agencies as befits the situation in each country.

32. Experience has shown that in many countries (Ethiopia, for example) the combined strength of the UNCT working together has improved the quality of policy dialogues in the health and education SWAps and that this contribution is highly appreciated by both Governments and bilateral donors.

D. How others view UNICEF participation

33. In many countries, UNICEF has served as "honest broker", bridging different viewpoints of Governments and donors, particularly concerning the need to combine an outcome-driven approach with a systems-strengthening approach, in the promotion of accelerated and sustained progress towards the Millennium Development Goals with support from both "outcome-oriented" and "systems-oriented" partners. UNICEF can sometimes also assist in filling gaps: for example in Bangladesh, UNICEF provided immediate funding for much-needed vaccines when SWAp funding was delayed. The appreciation of donors is reflected in the coordination support role UNICEF is assigned to play in many SWAps, as described in preceding paragraphs.

E. Good practices

34. Following years of conflict and instability, during which development assistance was focused on emergency relief and rehabilitation, Cambodia in 2000 initiated the development of a SWAp in education in 2000. The process was supported by the Asian Development Bank and UNICEF, with funding from the Swedish International Development Cooperation Agency, through provision of technical advisory and capacity-building assistance. A specific component of the UNICEF country programme focused on 'SWAp readiness'. Key aspects included an initial series of SWAp workshops and ongoing medium-term technical advisory support focused on donor-Ministry coordination and partnership processes as well as change management, sector-wide planning and monitoring in the central Ministry and provincial education offices. This support has continued through 2000-2005.

35. In Zambia, the successful components of the UNICEF-initiated Programme for the Advancement of Girls' Education have been incorporated into the Zambia Education Sector Framework, including the re-entry policy for girls who have been pregnant to return to school and the community participation initiative.

36. UNICEF has played a significant role in East and Southern Africa in advocating for the provision of water and sanitation facilities in schools. At the policy/strategy level, a key result has been the adoption of national guidelines and

standards for the provision of water and sanitation in all school construction and rehabilitation. This had led to greater provision of facilities, which in turn has contributed to reduced incidence of water-borne disease. UNICEF has provided technical support combined with evidence-based advocacy across different Ministries, in accordance with responsibilities for water and education.

37. In Mali and Ghana, the Accelerated Child Survival and Development Programme (ACSD) has been mainstreamed into health SWAps, MTEFs, basket funding and budget support. In Ghana, ACSD is being scaled up nationally, influencing the allocation of funds through SWAps towards child health. In Mali, ACSD forms the backbone of the second phase of the National Health and Development Programme 2004-2009, which incorporates PRS goals and the MTEF budgeting for accelerated child survival. Similar trends are being observed in other ACSD flagship countries.

38. In Uganda, an evidence-based strategy for addressing emergency obstetric care was adopted by the Government and the SWAp partners.

39. The 2004 study by the Institute for Health Sector Development mentions the MTEF as an area where UNICEF is not seen to be particularly active or qualified. In fact, in countries where UNICEF and the World Bank have jointly promoted the use of the Marginal Budgeting for Bottleneck concept and tool in SWAps or related development instruments (PRS and MTEF), this has positively influenced the priority accorded to maternal and child health and nutrition outcomes in results-based budgeting. Examples of these countries include Benin, Ethiopia, India, Madagascar, Mali, Mauritania and Rwanda, where, in most instances, health budgets have been significantly increased.

40. In response to strong Government interest in developing SWAps in the education sector, UNICEF is building staff capacity to engage effectively in education SWAps and PRSs. A first capacity-building exercise and workshop on sector investment programmes, SWAps and Scaling Up in Education was organized in East and Southern Africa in 2003, an example that has since been followed in East Asia and the Pacific, South Asia and West and Central Africa. The exercises and workshops have permitted a sharing of experiences and best practices and have allowed multisectoral issues, including early childhood development and child protection issues, to find their way into both SWAps and PRSs. In several countries, UNICEF has contributed to capacity-building by assisting Governments in defining and harmonizing technical assistance or by supporting gender analysis through disaggregated data collection and analysis.

41. UNICEF engagement in programme work has aimed to influence national plans and priorities to encompass a concern for the "whole child" (i.e., including but also beyond sectoral considerations). UNICEF involvement in the SWAp process allows the raising of important issues, such as child protection (e.g., child labor, institutional care for children, violence against women and children), early childhood development, gender and children's rights, and the encouragement of civil society participation, including that of children.

42. At the global level, UNICEF has consistently advocated for more outcome-oriented, Millennium Development Goals-aligned, health sector reforms, SWAps and PRSs. For example, in January 2004 at the High-Level Forum on the Health Millennium Development Goals, in Geneva, UNICEF proposed 10 principles for

developing Millennium Development Goals-oriented health systems and policies and PRSs. These principles were subsequently promoted in other forums, including the High-level Forum on the Health Millennium Development Goals in Asia and the Pacific, organized by the Government of Japan, in June 2005. The need to better align SWAps and the PRSs with the Millennium Development Goals and to focus on sustainable results was again highlighted by the Executive Director during the High-Level Forum on the Health Millennium Development Goals in Paris, in November 2005.

F. Challenges

43. Establishing a recognized role at the policy table is not easy for UNICEF in some countries where Governments do not encourage the participation in decision-making forums of agencies that do not have a financial "stake" in the decisions being made. In those countries, if UNICEF does not contribute to the SWAps funding pool, the organization may not be invited to decision-making meetings.

44. Becoming substantially and credibly involved in the PRS and SWAp processes is also staff- intensive. In country offices with limited staff capacity, this may pose a significant challenge, although in larger offices (and those whose programmes were already more policy-oriented), that challenge has so far been met. Furthermore, still too few UNICEF staff have the full competency profile to position UNICEF credibly in upstream policy discussions. This is recognized and is being addressed through specific competency improvement training programmes in social policy (see below).

45. There is evidence that other resources previously raised from bilateral donors at country level are declining. A number of bilateral donors that have been traditional sources of other resources have decided to provide direct budgetary support under a SWAp or PRS arrangement. The more advanced and institutionalized a SWAp, the less likely some donors may be to support UNICEF cooperation and assistance to the Government in the sector. Although UNICEF activities might be supported by funds the Government has mobilized for a sector, that arrangement can put UNICEF in the position of being "contractor to government", which is not the organization's proper role. At the same time, other resources that are not raised at the country level are generally earmarked and need to be tightly accounted for, and this poses another dilemma of having to proceed in ways that are not congruent with a sector-wide approach. In some cases, bilateral donors will ask UNICEF to participate more fully in pooled funding mechanisms and at the same time require that earmarked funds provided to UNICEF country offices receive separate detailed accounting for directly attributable results.

46. UNICEF experience has shown that mainstreaming cross-sectoral and multidisciplinary areas such as nutrition, integrated early childhood development and HIV/AIDS into SWAps has generally been a useful activity, though it presents a difficult role for a United Nations agency. Mainstreaming is important, for example, in nutrition, which has tended to be marginalized when included as part of a health SWAp. Vitamin A supplementation activities are often the most visible nutrition component of health SWAps, with over 20 countries now including vitamin A supplementation in PRSs and SWAps. At the 33rd Session of the United Nations Standing Committee on Nutrition, in March 2006, it was noted that nutrition needs

to be mainstreamed into such instruments as PRSs and SWAps in a way that clearly positions nutrition at the core of the development agenda.

47. Responding effectively to HIV/AIDS requires a multisectoral response. Therefore, the concept of an HIV/AIDS SWAp does not exist. However, the principles behind SWAps, including supporting nationally led planning, coordination and processes mechanisms, have led to the development of the "three ones" principle.

G. Lessons learned

48. Strategizing for UNICEF contribution to SWAps has been assisted by a very useful review of the United Nations System role in light of the Paris Declaration, which was carried out for the Norwegian Ministry of Foreign Affairs using Malawi and Mozambique as examples. UNICEF agrees with the recommendation of the report that the United Nations should not act as a donor and should not make direct financial contributions to the general budget support. This would add little value and would potentially undermine the impartial and multilateral character of the United Nations, which is so important to its convening role. The report underlined that the United Nations agencies are technical and/or advocacy agencies rather than donors. The report also stated -- and again UNICEF supports a similar conclusion -- that the new aid environment evidenced in the sectoral and inter-sectoral planning and funding mechanisms presents a great opportunity for the United Nations system because of its universal mandate and the synergistic and complementary nature of the mandates of individual agencies that make up a UNCT.

49. A commonly raised question is whether SWAps have been successful in achieving sector-specific human development outcomes. The success of SWAps is often considered in light of the SWAps primary purpose as being *mechanisms* for coordination and dialogue and not programmes of activities in their own right. There also exists a widespread tendency to equate sector reforms with SWAps and to hold SWAps responsible for the development outcomes expected from sector reform. A SWAp focuses on the management of external assistance and the flow and use of external and domestic resources to achieve agreed targets and is usually adopted as part of a larger set of reforms. It needs to be judged by the extent to which it ensures greater harmonization, alignment and transparency and by how it contributes to improved policy development, monitoring performance and rapid remedial action when outcomes are not in line with plans and expectations.

50. Nevertheless, even for the more realistic and appropriate goal of demonstrating the effectiveness of SWAps in achieving greater coherence and transparency and in reducing the burden of multiple project management procedures on Governments, more systematic cross-country evaluations are needed. Improvements in institutional harmonization and alignment attributable to the adoption of a SWAp should also be able to show a clearer link to development outcomes.

51. Two aspects of SWAps are often perceived by UNICEF country office staff to be neglected. The first is attention to the issues of content, orientation and quality of sector policy. Instead, many SWAps emphasize *procedures* for donor coordination and harmonization and the initial planning process. In particular, staff have indicated that more emphasis needs to be placed on ensuring a pro-poor focus in sector policy, embedding a rights-based approach in sector development,

accelerating progress in access and quality of service delivery, and addressing the gaps between the Millennium Development Goals targets and progress made. The second neglected aspect is NGO/civil society participation in the SWAp dialogue and the opportunity to contribute to increased empowerment and accountability in service planning and delivery.

52. To summarize, the SWAp process has led to greater dialogue and trust, a sharper focus on a selected number of key sector priorities and closer links between policy and implementation. However, weaknesses still include an overemphasis on details in planning and on the development of procedures; limited NGO/civil society participation; weak performance management and a slow shift from emphasizing donor coordination primarily to also considering service improvement and results.

53. UNICEF-assisted country programmes and the United Nations Development Assistance Framework (UNDAF) are usually flexible enough to respond to the design of SWAps in each context, to fill critical gaps, and to ensure that leveraging resources and results for children are placed high on the agenda. However, engagement in SWAps is still overly ad hoc. PRSs and SWAps would therefore benefit from strengthened UNICEF operational guidelines and from administrative policies that facilitate extended technical assistance contracts and greater flexibility in procurement.

54. Given its multi- and cross-sectoral perspective, both at the political and at the community levels, UNICEF has a comparative advantage in participating in the formulation and monitoring of human and social development components of PRSs. Most UNICEF country offices are already engaged in the process, but there is a strong case for intensifying this engagement, particularly as sector strategies and PRSs become increasingly intertwined and as sequencing problems from earlier on become less of an issue. In this context, the role of the United Nations Resident Coordinator and the UNDAF needs to be examined as well. While it is agreed that the United Nations agencies can speak with a stronger voice if they act as one, it is also true that representation by a single United Nations agency/agent in the development of PRSs risks reducing the richness and depth that individual United Nations agencies can bring to the process through direct participation in the dialogue.

55. In some cases, there is room for large-scale system-wide activities that go beyond sectors and are not necessarily featured in SWAps. Multi-disciplinary and intersectoral areas, such as early childhood development, nutrition and HIV/AIDS, are examples of domains where UNICEF can play a significant pioneering role in developing investment models and documenting how this is done. Adjusting the UNICEF business model to achieve a better fit with SWAps and PRSs does not mean that UNICEF can no longer engage in initiatives that require innovation and development before they are integrated into national systems.

56. It is important that UNICEF influence policy upstream in favor of children. However, the organization's ability to do this has not been fully assessed, and indicators and tools for measuring the impact of this upstream support have not yet been designed. To further strengthen its capacity in this area, UNICEF needs to be able to access additional technical and human resources when required, perhaps through a network of suitably qualified people in the United Nations and outside the organization.

57. Based on its long-term presence at the country level, UNICEF is in a position to support data collection and analysis of the programming environment as a contribution to the development and implementation of SWAps and PRSs.

58. Although monitoring capacities in UNICEF could be stronger, UNICEF is usually in the forefront of support to the monitoring of outcomes and impact. Through the multiple indicator cluster survey methodology, UNICEF has supported bringing the Millennium Development Goals-related data and field results into policy dialogues. This is especially the case with data related to exclusion, including for reasons of gender, ethnicity, place of abode, and other socio-economic characteristics. In addition, UNICEF strongly supports the United Nations team working with *DevInfo*, a data tool originated by UNICEF, which is being used to strengthen the national planning and monitoring processes. However, as an increasing number of partners turn to UNICEF for guidance and support on data issues, UNICEF needs to strengthen its analytical and technical advocacy capacity further to leverage policies, budgets and results in favor of the Millennium Development Goals and children. UNICEF experience on the ground at the community level needs to be further harvested to provide evidence for policy. This will require UNICEF to place greater emphasis on producing analytic documentation as an input to policy development and the scaling-up of strategies.

59. It is important to acknowledge that SWAps are not suitable in all circumstances. While SWAps or their equivalents are often clearly desirable in relatively stable situations where there are standards of governance and functioning public institutions, there will continue to be situations and countries where a project approach is likely to serve best for some time to come. This is often the case in emergencies situations, countries in conflict and post-conflict, and in what is generally termed "fragile states", where public sector institutions remain very weak. Even in these situations, however, the cluster leadership approach adopted by the Inter-Agency Standing Committee principals promotes greater predictability and harmonization of humanitarian efforts in nine critical programme and operational areas, thereby contributing to the shaping of systems and institutions along the lines of sector-wide approaches.

III. Future directions

A. SWAps and the medium-term strategic plan (MTSP)

60. In line with the recently approved MTSP for 2006-2009, UNICEF will substantially increase its emphasis during this period on working, as part of the UNCT and with other partners, in support of national capacity-building, policy development and scaled-up implementation. This work will include coordinated technical assistance and support to national partners, across all focus areas, for the formulation and strengthening of national strategic planning and poverty reduction frameworks that integrate priorities for children and multi-donor coordination frameworks for basic services.

61. A greater emphasis by UNICEF on upstream support to national policy, capacity and partnerships for scaled-up programme delivery may, in some cases, entail a reduction of support to smaller-scale project activities. This should also lead

to major reductions in time spent by programme partners on small-scale project management.

62. UNICEF will work with partners to place children at the centre of all relevant national policy and planning tools (including PRSs, SWAps and national, subnational and municipal plans of action for children) and to promote meaningful and appropriate participation by children and young people in decision-making that affects them, at different levels of society.

63. Focus area 5 of the MTSP identifies four key results areas — data collection, policy analysis, policy advocacy and participation — all of which are important contributions to SWAps. The importance of results-based planning and monitoring, and of the positive contribution of UNICEF in this area, has already been mentioned above. During the next four-year period, UNICEF intends to consolidate and strengthen its capacities in results-based planning and monitoring as part of efforts in capacity development and technical support to national development. Accordingly, UNICEF staff are being offered training in policy analysis through a major organization-wide learning programme and regional (and often sector-specific) workshops.

64. MTSP focus area 1, young child survival and development; focus area 2 basic education and gender equality; and focus area 3, HIV/AIDS and children all aim at leveraging policies and resources in support of relevant Millennium Development Goals. Focus area 1 (key results 1 and 3) aims, through support to PRSs and SWAps, to expand coverage of high-impact health, nutrition and water and sanitation interventions, that effectively focus on the most underserved communities and pool competencies and resources. Focus area 2 supports Education For All (EFA) objectives through engagement with SWAps, PRSs, the EFA Fast Track Initiative, national budget analyses and reporting on the Convention on the Rights of the Child. Focus area 3 supports the integration of quality care and support for children affected by HIV/AIDS into national and subnational policies, plans, services and development instruments, and into rapid assessments in emergency situations.

65. The strategies in support of the MTSP in health/nutrition and water, sanitation and hygiene, adopted by the Executive Board at the first regular session in January 2006, as well as the new MTSP support strategy in education to be reviewed by the Executive Board at the second regular session, in September 2006, clearly emphasize the need for UNICEF to strengthen its involvement in upstream policy work to leverage results in support of the Millennium Development Goals. These new sectoral global strategies will guide UNICEF engagement in current and future SWAps, PRSs and MTEFs.

66. A strong comparative advantage of UNICEF at the country level is its capacity to interact with Governments and civil society at the interface between policy and implementation and to help to strengthen the necessary dialogue associated with, and interaction between, these two phases. UNICEF will continue to play this role, for example, by providing operational and technical support to the building of capacities for scaling up interventions. In the same vein, UNICEF will assist Governments and civil societies in establishing enabling legislative and policy environments as well as national frameworks that support the Millennium Declaration and the Millennium Development Goals. UNICEF will continue to support child-related policy analysis, including by contributing the organization's

broad field-based experience, and to offer the products of that analysis in sector-planning (and other) discussions, as invited to do so by Governments.

67. Another area of comparative advantage that UNICEF brings to SWAps is its familiarity with subnational and community planning and monitoring processes. Many SWAps are ministry-oriented or centrally oriented in conception, and as increasing numbers of countries devolve decision-making and responsibility to lower levels of government, UNICEF experience at subnational and community levels can be particularly useful. This approach is also congruent with that taken in the Health and Nutrition strategy and the WHO/UNICEF Global Immunization Vision and Strategy to reduce geographical disparities within countries.

68. In situations characterized by weaknesses in governance, the relative importance of the role of UNICEF in providing more direct operational and technical support may be greater than in situations where UNICEF assistance will focus predominantly on leveraging policies, capacity development and knowledge generation.

B. Inter-agency collaboration

69. UNICEF was a member of the team that developed the UNDG-wide position on involvement in Programme Support, and is currently chair of the UNDG working group on aid effectiveness, which will develop UNDG guidelines on involvement in Direct Budget Support and SWAps. A recent UNICEF workshop that included the participation of UNDP, UNFPA and WFP identified common issues for the agencies to address in the promotion of effective participation in SWAps, from financial involvement to human resources requirements. In many countries, United Nations agencies have taken a more rational approach to involvement in SWAps by discussing how to ensure that multiple agencies participate in SWAps only if their views and experience complement rather than duplicate the contribution of others.

70. UNICEF will further strengthen its close collaboration with Governments and the World Bank on results-based budgeting through the application of the marginal budgeting for bottlenecks concept and tool. This will require joint capacity-building efforts, oriented both internally and externally, with Government counterparts and other agencies. Application of the concept to further sectors will be pursued.

IV. Conclusion

71. UNICEF has increased its involvement in SWAps as (though sometimes slightly behind the trend) these instruments have become more widely used by countries as an important development planning approach. UNICEF contributions include convening, capacity development, technical and policy advice (in results-based planning and implementation, especially cross-sectoral, field-based and community or subnational government levels), support to data collection and use, and monitoring and evaluation. UNICEF works closely with its United Nations sister agencies, and will continue to do so, both to share the challenge of involvement in SWAps and to ensure that the broad viewpoints and international experience of development, including normative considerations, are made available to national authorities for planning. To improve staff capacity in this area, UNICEF

has set up networking and training opportunities for staff to help them to overcome several knowledge and skills gaps.

72. One of the priorities of the MTSP is to ensure the enhanced and systematic involvement of UNICEF in both PRSs and SWAps, in conjunction with national counterparts, the World Bank and United Nations partners, in order to influence strategic investment decisions that are oriented to the achievement of the Millennium Development Goals. UNICEF is uniquely positioned to proactively lead and cultivate effective sector-wide partnerships to leverage resources, assistance and results for children where required. The organization's participation in United Nations reform and other collaborative arrangements is guided by the imperative of harnessing the power and potential of partnerships to produce results for children.

V. Draft decision

73. It is recommended that the Executive Board adopt the following draft decision:

The Executive Board

1. *Welcomes* UNICEF efforts and thorough analysis to systematize its contribution to sector-wide approaches in support of poverty reduction and national development frameworks to reach the Millennium Development Goals;

2. *Recommends* that UNICEF provide regular updates on this issue as part of the results frameworks included in the Annual Report of the Executive Director.

Annex

Countries with SWAps in sectors of concern to UNICEF, 2005

Education	*Health*	*WES*	*Other*
Bangladesh	Bangladesh	*Ethiopia*	Iraq*
Benin*	Burkina Faso	Malawi	Kenya
Bolivia	Cameroon	Mozambique	*Kosovo (Serbia and Montenegro)*
Burkina Faso	Ethiopia	*Nicaragua*	Mali
Cambodia	Ghana	Uganda	Mozambique
Cameroon	Iraq*	Kenya	Suriname
Eritrea*	*Kenya*	Rwanda	*Uganda*
Ethiopia	Kyrgyzstan	Iraq	
Gambia	Lesotho		
Ghana	*Madagascar*		
Honduras	Malawi		
Indonesia	Mali		
Iraq*	Mauritania		
Kenya	*Mongolia*		
Lesotho	Mozambique		
Madagascar*	*Nepal*		
Malawi	Nicaragua		
Mali	Papua New Guinea		
Mauritania	Rwanda		
Mongolia	Senegal		
Mozambique	Tanzania, U. Rep.		
Namibia	Uganda		
Nepal	Zambia		
Nicaragua			
Rwanda			
Senegal			

Education	*Health*	*WES*	*Other*
Solomon Islands*			
Sri Lanka			
Tajikistan			
Tanzania, U. Rep.			
Turkey			
Uganda			
Zambia			

Source: UNICEF country office annual reports.
Italicized countries: SWAps planned or under development.
* Informal or subnational.